Solid year for Fifth Estate fortunes: Top 100 weather volatile '87

The leading companies of the Fifth Estate managed to post increases in both revenues and profit margins in 1987, no small feat given last year's economy and roller-coaster stock market.

Collectively, the Top 100 Companies in Electronic Communications generated more than $172.5 billion in revenue during 1987, an increase of nearly 14% over the previous year's $151.6 billion, according to BROADCASTING's ninth annual survey. And to help matters along, profit margins increased as well, moving up from an average 6.10% of revenues in 1986, to an average 7.16% in 1987. This 7% slice is from a larger pie as well. Total earnings for the Top 100 amounted to $12.4 billion, up 33% from 1986's $9.3 billion.

BROADCASTING's Top 100 survey uses two separate indicies to rank the industry: annual revenues (pages 30-33), including earnings, profit margins and per-share information for each company,

Fifth Estate firms ranked by ECI

The following firms are listed in descending order according to their revenues from Fifth Estate interests (BROADCASTING's Electronic Communications Index).

ECI rank		ECI revenues	Rev. rank
1	Capital Cities/ABC	$3,433,720,561	7
2	General Electric	3,164,222,500	1
3	CBS	2,706,760,000	15
4	Time Inc.	1,685,167,700	8
5	Tele-Communications	1,225,127,980	23
6	MCA	1,100,072,850	16
7	Gulf + Western	1,018,607,360	6
8	Viacom	1,010,748,000	39
9	General Instrument	763,875,606	35
10	Home Shopping Network	692,187,000	46
11	Lorimar-Telepictures	642,174,466	41
12	Turner Broadcasting	610,795,667	47
13	Westinghouse	600,160,800	3
14	Columbia Pictures Ent.	586,293,850	37
15	Saatchi & Saatchi	542,880,000	33
16	Ogilvy Group	524,341,680	44
17	News Corp. Ltd.	509,262,472	9
18	Tribune	485,348,955	18
19	Varian Assoc.	484,430,100	38
20	Rogers Communications	464,300,000	50
21	Interpublic Group	436,820,500	40
22	Warner Communications	386,985,113	10
23	Sci-Atlanta	371,993,667	49
24	Omnicom Group	365,115,150	42
25	Gannett Co.	356,908,907	13
26	Times Mirror	349,842,923	12
27	New World Entertainment	320,634,004	57
28	Cablevision Systems	299,537,000	66
29	Disney	297,706,450	14
30	Comcast	286,829,375	64
31	Itel Corporation	275,057,600	32
32	King World	257,412,000	67
33	CVN Cos.	253,797,000	68
34	United Cable TV	241,103,000	71
35	Scripps Howard	234,146,000	73
36	Multimedia	224,476,514	55
37	Chris-Craft	216,654,508	70
38	Motorola	201,210,000	5
39	Orion Pictures	199,385,716	54
40	GenCorp	194,928,600	26
41	Media General	193,563,156	45
42	3M	188,580,000	4
43	Selkirk	179,805,000	76
44	Mark IV Industries	175,302,520	56
45	Tektronix	173,607,625	28
46	Washington Post	171,400,436	30
47	Dun & Bradstreet	167,958,200	11
48	Grey Advertising	166,726,600	63
49	A.H. Belo	165,538,073	58
50	LIN	156,208,650	72
51	Century Communications	150,865,000	78
52	Spelling Productions	149,962,000	79
53	Foote Cone & Belding	149,515,416	61
54	TVX Broadcast Group	133,373,000	82
55	Eastman Kodak	133,050,000	2
56	Centel Corp.	130,165,295	27
57	Meredith Corp.	125,060,534	48
58	Jefferson-Pilot	123,461,470	34
59	Zenith	118,150,000	17
60	Reuters Ltd.	114,688,000	25
61	QVC Network	112,302,000	86
62	Knight-Ridder	104,462,459	20
63	Liberty Corp.	104,025,049	59
64	Harris Corp.	100,098,104	19
65	New York Times	99,179,402	24
66	Pulitzer Publishing	97,348,485	60
67	Mairite	97,330,000	88
68	United Television	96,502,000	89
69	Great American Commun.	94,704,392	85
70	McGraw-Hill	89,663,976	22
71	Westwood One	87,214,000	91
72	Telemundo	84,056,000	92
73	Infinity Broadcasting	74,060,000	93
74	Reeves Communications	72,891,000	94
75	Park Communications	72,502,960	80
76	Price Communications	72,262,518	90
77	American Cablesystems	70,199,000	95
78	Maclean Hunter	68,625,000	36
79	Lee Enterprises	63,757,932	69
80	Outlet Communications	63,126,000	96
81	MGM/UA Communications	61,015,809	53
82	TCA Cable TV	60,937,000	97
83	Comsat	56,721,670	62
84	Arvin Industries	54,926,880	29
85	Financial News Network	46,938,649	98
86	American Family	45,024,000	21
87	Jacor Commun.	43,972,000	99
88	Burnup & Sims	43,517,304	74
89	Western Union	40,093,550	43
90	A.M.E. Inc.	39,774,000	100
91	Industries	38,100,111	75
92	Cable TV Industries	37,967,000	101
93	Fries Entertainment	37,707,000	102
94	Business Men's Assurance	35,154,637	51
95	Pico Products	34,475,681	103
96	Jones Intercable	33,668,000	105
97	Western Tele-Communications	32,636,171	87
98	Clear Channel	32,461,744	106
99	Barris Industries	30,640,000	107
100	Unitel Video	29,490,000	109
101	Playboy Enterprises	29,480,028	77
102	dick clark productions	26,883,000	110
103	Stauffer Communications	25,917,221	84
104	Cetec	22,623,220	104
105	M/A Com, Inc.	21,865,450	52
106	Falcon Cable Systems	20,333,000	112
107	C Tec Corp.	17,938,154	81
108	Republic Pictures	17,843,582	111
109	Essex Communications	16,439,097	113
110	Cohu	14,930,849	108
111	Satellite Music Network	14,918,984	114
112	Durham Corp.	12,971,381	65
113	Dow Jones & Co.	11,830,987	31
114	Telemation	11,295,183	115
115	Olympic Broadcast	11,005,000	116
116	Michigan Energy Resources	9,427,082	83
117	Sage Broadcasting	9,378,000	117
118	SunGroup Inc.	7,374,963	119
119	All American TV	5,500,000	120
120	TPC Communications	3,970,000	121
121	Nostalgia Network	1,445,396	122
122	Associated Communications	1,221,696	118

and BROADCASTING's Electronic Communications Index of the percentage of revenue contributed by Fifth Estate interests.

To evaluate each Top 100 candidate on an equal footing, revenue figures are used that most closely approximate a company's fiscal results for calendar year 1987.

There was one casualty this year due to this criterion. Sony Corp. changed its fiscal yearend from October to March, and produced a one-time, five-month fiscal period stretching from October 1986 to March 1987. This made any direct comparison between years impossible. Sony reported revenues for the nine months ended Dec. 31, 1987, of $8.7 billion, which would put it in fifth place, just after 3M Corp., which posted $9.4 billion in revenues. (Sony's earnings for the fiscal year were $230.7 million.)

The second measure—the ECI—is the percentage of revenue from sales or services to the radio, TV, cable and satellite industries.

For 1987, the Top 100's ECI revenues came in at a total of $33.47 billion, or about 19.4% of overall revenues. (Based on past reporting of Sony's ECI percentage, the company brought in about $678.6 million dollars, or about 7.8%.)

Changes in the top-ranked companies on the revenue chart reflect the disappearance of several companies from the industry. Allied-Signal ranked second in the 1987 survey. It has since sold its audio-visual segments.Coca-Cola has left the Top 100 list after selling its film and television holdings in a deal that created new Top 100 resident Columbia Pictures Entertainment, the product of a merger between Columbia and Tri-Star Pictures. Anixter Brothers has been removed from the list, due to the purchase of the company by Itel Corp., which ranks 32d.

In the current Top 100 survey there are 43 companies with an ECI of 100%. The remaining 79 clustered around six areas: Twenty companies had an ECI between 50% and 100%; 11 companies between 40% and 50%; 11 between 20% and 30%, 14 between 10% and 20%, and 22 between 1% and 10%.

While General Electric ranks first in total revenues, it is Capital Cities/ABC that wins the topmost position on the ECI chart (see page 34) with $3.43 billion in revenues from the electronic communications industry.

General Electric has an ECI of 7.81% of its $40.52 billion in revenues, for $3.16 billion in ECI dollars.

Third place on the ECI chart goes to CBS, with $2.76 billion, an estimated 98% of its revenues.

The yearly fluctuations in ECI percentage reported by a company are helpful in tracking company changes or diversifications.

As go revenues, so goes the ECI, and while the number-one position on the Top 100 revenue chart has been held by General Electric since 1980, the top slot in terms of ECI dollars has been shared by NBC's former parent company, RCA, and by ABC (now included in Capital Cities/ABC Inc.). (RCA ranked first from 1982 to 1984. ABC took over for 1985 and 1986, while CapCities has owned the slot for the 1987 and 1988 surveys.)

According to the Top 100 chart, there were 10 companies that switched over from recording profits in 1986 to losses in 1987. At the same time, there were also 10 companies that took the reverse tactic, rebounding from 1986 losses to a profitable year. There were 10 companies that reported losses for both 1987 and 1986.

Among the newcomers to the Top 100 survey:

- QVC Network (86) reported net sales for its first full year of business of $112.3 million, which was steadily built during the course of the year, adding about $10 million-$12 million in net sales each quarter.
- Great American Communications—formerly Taft Broadcasting until it was acquired last October for about $1.5 billion—comes on at 88th position with nearly $120 million in revenue.
- Western Tele-Communications comes on the list at 87th, with $101.7 million in revenues.
- Telemundo is 91st with revenue of $84 million.
- Coming in at the 100th position is newcomer A.M.E. Inc., a $39-million postproduction service company.

By Anthony T. Sanders

Programing

Network plans to beat summer program doldrums

Strike crimps plans for more original summer fare; networks look to specials, new episodes of canceled shows and news division offerings unaffected by strike

Although the writers' strike has scuttled plans by the networks to air fewer reruns than usual this summer, ABC, NBC and CBS will still be able to offer some fresh programing in the form of original episodes of canceled series, specials and documentaries, the last the domain of news writers, who are not affected by the strike.

CBS will launch two new series during the summer, *Blue Skies* and *First Impression*. On Monday, June 13, at 8-9 p.m., the network premieres *Blue Skies*, a CBS in-house production starring Tom Wopat and Season Hubley. The one-hour drama follows a newly married couple and their three children from previous marriages. CBS has eight episodes ready for airing. *First Impression*, which has not been given a launch date, deals with stand-up comedians. The network also has original episodes of *My Sister Sam*, and 13 episodes of *The Cavanaughs*. During the summer months, CBS will be airing original episodes of *60 Minutes*, *West 57th* and *48 Hours*. On Thursday, June 23, the network preempts *48 Hours* to present a special from CBS News, *Try To Remember*. Hosted by Charles Kuralt, the hour-long documentary takes a look back at events from the week of August 10-17, 1969, and how those events changed people's lives.

ABC will anchor its summer programing with a number of concert specials and a Fourth of July extravaganza. On June 3, at 9-10 p.m., ABC will air a David Bowie concert from the recent Glass Spider tour. On June 15, from 9:30-11 p.m., the network presents *A Matter of Trust*, taped footage of Billy Joel's concert tour in the Soviet Union. On June 26, ABC airs two hours (9-11 p.m.) of Atlantic Record's 40th anniversary party, which took place on Saturday, May 14. The event brought numerous musical talents together, including a reunion of Led Zeppelin. On July 4, ABC will air a two-hour special commemorating the United States' 212th anniversary. For the summer, the network will air movies on Thursday nights.

NBC's 'Molly Dodd'

NBC will offer seven original episodes of *The Days and Nights of Molly Dodd* during the summer, a final test for the Jay Tarses production which was not given a fall commitment, but could come back for mid-season 1988-89 if it performs well from June to August. The network will also launch George Schlatter's *Funny People*, a comedy/variety show. (The show premieres on July 27; George Schlatter Productions has a commitment from the network for six episodes.) NBC will also bring back episodes of *Sara*, a sitcom that failed in 1985 but stands to perform better the second

THE CABLE NETWORK PROGRAMING UNIVERSE

BASIC SERVICES

Network Subscribers Ownership	ESPN 47,000,000 Capcities/ABC (80%), RJR Nabisco (20%)	CNN 45,750,000 Turner Broadcasting (Ted Turner 67.7%, TCI 7%, Time Inc. [ATC] 5%)[1]	WTBS 44,708,000 Turner Broadcasting (Ted Turner 67.7%, TCI 7%, Time Inc. [ATC] 5%)[1]	USA Network 44,400,000 MCA (50%), Paramount (50%)	Nashville Net. 40,400,000 Gaylord Broadcasting
MTV 40,300,000 MTV Networks Inc. (Viacom)	CBN 40,047,200 Christian Broadcasting Network	Nickelodeon 39,000,000 MTV Networks Inc. (Viacom)	Lifetime 39,000,000 Capcities/ABC (33%), Viacom (33%), Hearst (33%)	C-SPAN 37,750,000 Cable operator supported	Nick at Nite 34,600,000 MTV Networks Inc. (Viacom)
Weather Ch. 34,300,000 Landmark Communications	Headline News 31,320,000 Turner Broadcasting (Ted Turner 67.7%, TCI 7%, Time Inc. [ATC] 5%)[1]	Discovery Ch. 31,200,000 TCI[2] (28%), Cox Cable (14%), Group W (14%), Newhouse (14%), management, New York Life Co., Allen & Co. (30%)	FNN 30,000,000 Infotech (43%)	A&E 30,000,000 Capcities/ABC (33%), NBC (33%), Hearst (33%)	VH-1 25,700,000 MTV Networks Inc. (Viacom)
WGN-TV[3] 24,653,463 Tribune Broadcasting	Score 19,800,000 Infotech (43%)	CVN[4] 19,000,000 CVN Cos. (TCI [15%], ATC [5%], Warner Comm. [5%])	BET 18,500,000 Bob Johnson (51%), TCI[5] (33%), HBO (16%)	HSN I 15,088,786 Home Shopping Networks Inc.	C-SPAN II 14,650,000 Cable operator supported
WWOR-TV 12,197,185 MCA	Learning Ch. 12,000,000 Appalachian Community Service Network (40%), FNN (32%) Infotech (8%), officers and employes (20%) (when stock options are exercised by April 30, 1989)	QVC Network 11,800,000 QVC Network (65%), Comcast (14%), cable operators (21%)	Telshop 11,000,000 Infotech (43%)	Fashion Ch. 10,500,000 Charlie Gee (32%), 65 cable operators (25%), TCI[2] (18%)	Silent Network 10,300,000 Silent Network Inc.
Inspirational Network 10,000,000 PTL Club (pending bankruptcy proceedings)	WPIX(TV)[3] 9,678,474 Tribune Broadcasting	Eternal Word TV 9,200,000 Eternal Word Television	Travel Channel 8,800,000 TWA Airlines (89%), cable operators (11%)	Trinity 8,500,000 Trinity Broadcasting Network	Tempo TV 8,000,000 NBC (pending owner)

Country Music Network 7,500,000 Jim Guercio (principal owner)	**Acts** 6,459,689 Friends of Acts (pending owner)	**HSN II** 5,350,933 Home Shopping Networks Inc.	**Movietime** 5,000,000 HBO, Warner Cable, Warner Comm., ATC, Cox Cable, United Cable, Newhouse (10.625% each), Mabon, Nugent & Co., and SRK Management (15%)	**KTLA(TV)[3]** 4,929,355 Tribune Broadcasting	**Shop TV** 3,800,000 JC Penney (63%), STN Ltd. (37%)
KTVT(TV)[3] 3,588,270 Gaylord Broadcasting	**Nostalgia** 3,300,000 Nostalgia Network (Cooke Cablevision [8%])	**Mind Extension University** 1,400,000 Jones International (parent of Jones Intercable)	**Family TV Net.** 1,100,000 FamilyNet	**America's Shopping Ch.** 1,000,000 America's Shopping Channel (private individuals 70%, Cox Cable 30%)	**Galavision** 1,000,000 Univisa

PAY SERVICES

HBO 15,900,000 Time Inc.	**Am. Movie Classics** 11,000,000 Rainbow Program Enterprises (Cablevision Systems) 50%, TCI 50%	**Showtime** 6,000,000 Viacom	**Cinemax** 5,100,000 Time Inc.	**Disney** 3,810,000 Walt Disney Co.	**Movie Channel** 2,500,000 Viacom
Bravo 1,000,000 RPE (Cablevision Systems)	**Playboy** 490,000 Playboy Enterprises	**Festival** 30,000 Time Inc.			

PAY-PER-VIEW SERVICES

Viewer's Choice I and II 3,500,000 Viacom	**Request TV** 2,800,000 Reiss Media Enterprises	**Home Premiere Television** 1,200,000 ATC, Cox, TeleCable, Continental, Newhouse 20% each	**Cable Video Store** 170,000 General Instrument	**Zap Movies** 60,000 Telstar	(PPV figures are addressable home count)

[1]Reflects the combined voting power of shareholders after the proposed merger of United Artists and United Cable, both of which will be principally owned by TCI.

[2]TCI percentage includes United Cable investment.

[3]United Video superstation figures for WGN-TV Chicago, WPIX(TV) New York, KTLA(TV) Los Angeles and KTVT(TV) Fort Worth, Tex., include local DMA cable households, plus figures for TVRO and SMATV nationwide.

[4]CVN—Several other cable operators have smaller ownership stakes, including Adam Corp., Cablevision, Colony, Continental, Cooke, Daniels & Associates, Newhouse, Rogers, Sammons, Times Mirror, Viacom and Warner.

[5]TCI percentage includes Taft investment.

Sluggish sales for network radio's second quarter

Some executives see reflection of overall broadcast advertising economy, with traditional radio advertisers spending less on medium

It was once network radio's potentially biggest period for revenue growth. But business for the second quarter has apparently hit a roadblock. Network officials last week characterized sales as "lackluster" with total ad dollars for the quarter expected to show little or no gain over 1987's second-quarter finish of $96,541,000. In fact, just-released billing figures for April, according to the Radio Network Association, which receives monthly data from the accounting firm of Ernst & Whinney, show network sales off by 1.5% from April 1987 to $29,522,000.

The general sales forecast for May and June is flat to slightly up compared to the same period a year ago. So far for the year, January through April, network radio expenditures were down by 0.9%.

There appears to be no clear-cut explanations for the slowdown. Network executives do not directly link the sluggish sales pace to the absence of any one major account or product category. Rather, they view the trend as a general reflection of today's overall broadcast advertising economy with traditional radio advertisers spending less on the medium as a whole. At least one executive sees network radio advertising budgets becoming more closely tied to year-round television buying habits.

Youlios

Severine

Moore

If there is any immediate hint of a silver lining for the networks, it could very well be the third quarter. Business is projected to be up several percentage points, especially for youth-oriented programing. However, some officials are cautioning that the continuing Writers Guild strike against television could stymie radio network buying patterns because it may cause uncertainty in the soon-to-break network television upfront season, a priority for many major advertisers.

"The second quarter is just about wrapped up [in sales bookings] and the industry will probably not see more than a slight percentage gain," said Steve Youlios, vice president of sales for the CBS Radio Networks. "However, what is beginning to heat up is the youth market for the third quarter, especially for July and August," Youlios said.

What about adult-oriented, third-quarter network business? "At this point, the adult [demographic] side could continue to be flat," Youlios said. The CBS executive is predicting third-quarter sales for the industry to finish 3% to 5% ahead.

Major network radio advertisers are aligning their budgets with their television spending, according to Lou Severine, vice president of sales for the ABC Radio Networks, the largest network radio company (in terms of annual billings), which also handles the advertising sales efforts for the Satellite Music Network.

"Our scatter sales are now falling mostly in the fourth and first quarters because advertisers are trying to coincide their network radio buys more with their network television [scatter] schedules," Severine said. "Network radio is their backup frequency buy," he said. "We are not getting the second-quarter and third-quarter explosion of dollars that we once did years ago," said Severine, saying that the second quarter will likely not witness any sales growth.

However, Severine was quick to add that, as of last week, third-quarter business is "looking stronger" than anticipated. "Although ABC is about flat for second quarter, our sales are running about 7% ahead for the third quarter," he said. "But it's not the type of summertime-only accounts we have seen in the past such as sun tan lotions and acne products," Severine said. "They are different product lines."

Youlios concurred: "Although there has been some attrition of traditional summer advertisers, they have been replaced by other product categories and specific advertisers."

Neither Severine nor Youlios specified actual brand names. However, Youlios said that a large amount of third-quarter network business will stem from three categories—candy, soft drinks/beverages and Hollywood movie studios.

ABC's Severine also noted that many advertisers are now spreading their annual ad budgets equally throughout 52 weeks. "Fifty percent of ABC's buys are for 52

weeks," Severine said.

"More advertisers in outer regions are becoming aware of network radio than in the past," observed Radio Network Association president Peter Moore. (Nick Verbitsky, president of the United Stations Radio Networks, which also oversees advertising time sales for the Transtar Radio Networks, serves as the 1988 RNA chairman.)

Those "outer" regions include markets that fall under the network regional sales centers of Detroit, which was up 57% in network sales placement for January through April to $8,426,000 (in April alone, Detroit was up 185%); and Chicago, network radio's largest regional center next to New York, was up 9% to $29.9 million.

According to Moore, there is "extensive placement" of Dodge and Buick campaigns going through Detroit. (Much of the automotive advertising business is now placed through agencies in New York.) And, said Moore, there have been some new Detroit accounts added to the 1988 client roster such as Red Roof Inns, a motel chain. Red Roof launched its "first extensive network radio campaign" in April, Moore said. Out of Chicago, Moore named the burgeoning Motel 6 chain as one of the "strong" network accounts this year.

1988 year-to-date network radio spending

Month	1987	1988	Monthly % of change	YTD % of change
January	$25,250,000	$28,056,000	+11.1	——
February	$25,304,000	$25,284,000	-0.1%	+5.5
March	$30,589,000	$27,264,000	-10.8	-0.7
April	$29,980,000	$29,522,000	-1.5	-0.9%

NOTE: Network sales figures for 1988 are collected each month from different network companies by the accounting firm of Ernst & Whinney. As in past Olympics years, figures do not include network radio advertising dollars spent on coverage of the 1988 winter Olympics. ABC Radio had exclusive rights to the games.

Looking at year-to-date (January through April) sales performance for network radio's other two sales centers, New York was off 7.6% to $65,378,000 and Los Angeles was down 15.7% to $6,407,000.

"The biggest drop-off in accounts appears to be in the import car market," said Moore, noting that Nissan, placed out of Los Angeles, and Subaru, placed out of New York, were network radio advertisers last year, but have, thus far, not committed to the medium this year.

The outlook isn't all gloom for the import arena, however. Moore said Volkswagen will launch its "first ever" network campaign this July. □

Public radio's dilemma: what to do about the 80% who ignore it now

Audiences and programs: the who, how and what of public radio's future debated at annual meeting

Preliminary reports on a one-year study, "Audience '88," provided the axis of most of the activities during this year's Public Radio Conference, held May 18-22 in St. Louis. With the unbundling of National Public Radio programing a fait accompli (BROADCASTING, Dec. 14, 1987), attendees focused discussion on questions of audience and programing, leaving most of the devisive issues of past PRC's at least temporarily on hold.

The majority of noncommercial radio listeners, Audience '88 showed, hold college degrees and professional or managerial positions, live in $30,000-or-above-per-year-income households, highly value information and have "inner-directed, societally conscious" personalities. The study, funded by the Corporation for Public Broadcasting, also said that more than 80% of the U.S. population does not tune in to public radio. Co-conductors of the database "gold mine" study, Audience Research Analysis, Liebold & Associates and Thomas & Clifford, said "going after" nonlisteners "would require significantly different programing" and the need to "revisit [public radio's] mission itself."

"Twenty percent of beer drinkers drink 80% of the beer," said Audience Research President David Giovannoni, attempting to make clear his view that public radio need not please everyone to succeed. Even though most attendees appeared to agree that attempts to gain substantial portions of the unreached 80% of listeners would prove troublesome—if not impossible—virtually all parties agreed that noncommercial stations, in the words of National Federation of Community Broadcasters President Lynn Chadwick, "have to better serve more people."

To expand the audience, Giovannoni and company suggested there is "ample opportunity to extend the amount of time that light fringe" listeners devote to public radio, which would require development of new programs that broaden but maintain public radio's appeal.

The how: 'license to diversity'

Discussions of how to serve more of which type listeners generated a variety of suggestions.

Chadwick noted that one in five Americans do not even receive a public radio signal. Also, she said, many stations continue to operate without CPB money and cannot improve their services because of CPB qualification requirements that include a minimum of five, full-time staff members, 18 hours a day on the air and $150,000 cash. Some of those unqualified stations, she said, have operated as noncommercial, community stations for as many as 10 years but are locked out of the system financially. Up to 1,000 existing noncommercial stations, she said, lack the downlinks necessary for satellite interconnection with national programers. Lowering CPB qualifications would bring national programing to much of the 20% of the markets not reached, she said, but there is a "strong disincentive" among already qualified stations to spread CPB's limited community service grant (CSG) money among a larger pool of stations.

As a beginning alternative, Chadwick proposed to a May 19 general session—titled "Making Good on the Promise"—that each of the 301 stations receiving an annual CSG donate $1,000 to a fund to purchase satellite downlinks for stations not currently interconnected. "We need several stations in each market," said Chadwick, "because radio works on target audiences. Going after that 80% [currently not listening] can be accomplished by smaller stations, each with its own target audience."

More narrowly targeting segments of NPR's current "core," "fringe" and "light fringe" audiences—which the study purports to identify—emerged as the most talked about theoretical method of serving more listeners "better."

Calling the May 17 adoption of [illegible] and goals resolutions by the CPB board "the opening volley" in a strategy to [illegible] gram production and acquisition [illegible] priority in public broadcasting (BROADCASTING, May 23), CPB President [illegible] Ledwig told the general session that in 10 years, public radio will move "away from one typical kind of programing and, with few exceptions...will increasingly specialize, particularly in markets with multiple, competing stations."

And NPR President Doug Bennet, who the week before the conference had praised Audience '88 "a license to diversity" (BROADCASTING, May 16), said that public radio listeners "are not primarily classical music listeners or jazz listeners...waiting

BEST COPY AVAILABLE

First-quarter television network revenue
1988 versus 1987

(Add 000)

	Prime Time	Late Night	Daytime	Children	Sports	News	Total
Revenue from client-supplied programing							
First quarter '87	$3,978	$0	$0	$0	$927	$0	$4,905
First quarter '88	4,188	0	0	0	1,706	0	5,894
% increase (decrease)	5.28	0	0	0	84.03	0	20.16
All other revenue from time sales*							
First quarter '87	964,027	71,669	276,866	24,978	342,815	174,222	1,874,577*
First quarter '88	936,716	84,056	299,378	22,900	669,762	197,133	2,209,945*
% increase (decrease)	(2.83)	17.28	0.85	(8.32)	95.37	13.15	17.89
Total gross revenue from time sales							
First quarter '87	968,005	71,669	296,866	24,978	343,742	174,222	1,879,482
First quarter '88	940,904	84,056	299,378	22,900	671,468	197,133	2,215,839
% increase (decrease)	(2.80)	17.28	0.85	(8.32)	95.34	13.15	17.90
Less advertising agency commissions							
First quarter '87	144,740	10,551	44,265	3,590	51,448	26,271	280,865
First quarter '88	140,881	12,588	44,485	3,401	100,099	29,448	330,902
% increase (decrease)	(2.67)	19.31	0.50	(5.26)	94.56	12.09	17.82
Total net revenue from time sales							
First quarter '87	823,265	61,118	252,601	21,388	292,294	147,951	1,598,617
First quarter '88	800,023	71,468	254,893	19,499	571,369	167,685	1,884,937**
% increase (decrease)	(2.82)	16.93	0.91	(8.83)	95.48	13.34	17.91

*Includes $11,025,000 in color insertion revenue reported by three networks for 1987 first quarter and $20,053,000 for 1988 first quarter.
**Includes political parties/candidates revenue of $458,000.

In the first quarter of 1988, revenue for the three television networks was up more than 17%, to $1,884,937,000, according to unaudited reports submitted by ABC, CBS and NBC to Arthur Young & Co.

The Television Bureau of Advertising, which reported a similar increase in its estimate of three-network revenue, said that only two of the networks showed gains. TVB estimated that ABC had a 62% first-quarter increase, much of that representing Olympics and Super Bowl advertising. TVB said that NBC had a 7% gain, while CBS reported a 7% revenue decline.

The impact of special events and other programing changes affected the gains and declines reported in various dayparts. Not surprisingly, sports revenue, net of advertising commissions, jumped 95%, to $571.4 million. News also gained 13% to $167.7 million, reflecting both good advertising demand for that daypart and the inclusion in the first quarter of *West 57th* and *48 Hours*, plus various ABC News specials. Also showing good increases were late night, up 17% to $71.5 million.

The inventory gains of news and sports came largely from prime time, which registered a 3% decline. One network executive speculated that absent the inventory changes, three-network prime time revenue would have been flat, or up just slightly. Daytime revenue was up 1%, while children's revenue declined 9%, indicating perhaps the loss of revenue caused by lower peoplemeter ratings and resulting makegoods to advertisers.

First-quarter national—regional spot TV advertising was up 10%, to $1.5 billion, estimated TVB, while local TV advertising increased 7% to the same amount.

Syndication revenues jumped 21%, said TVB, to $167.3 million.

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